UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

DYNEGY MARKETING AND TRADE, LLC)	FE DOCKET NO. 09-15-NG

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA AND MEXICO, AND VACATING PRIOR AUTHORIZATION

DOE/FE ORDER NO. 2623

I. DESCRIPTION OF REQUEST

On February 26, 2009, Dynegy Marketing and Trade, LLC (Dynegy) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA), for blanket authorization to import up to 300 billion cubic feet (Bcf) of natural gas from Canada and to export up to 165 Bcf of natural gas to Canada. Dynegy also requests authority to import up to 300 Bcf of natural gas from Mexico and to export up to 165 Bcf of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term beginning on the date this Order is issued. Dynegy is a Delaware corporation with its principal place of business in Houston, Texas.

Additionally, on October 10, 2007, Dynegy Marketing and Trade was granted authorization in DOE/FE Order No. 2415 to import and export natural gas from and to Canada and Mexico for a two year term beginning October 31, 2007, and extending through October 30, 2009 (2 FE ¶ 71,516). On March 3, 2009, Dynegy notified FE that its name changed to Dynegy Marketing and Trade, LLC. Dynegy requests that DOE/FE Order No. 2415 be vacated, effective the date this Order is issued, since the proposed authorization will supersede the current blanket authorization.

II. <u>FINDING</u>

The application has been evaluated to determine if the proposed import and export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import and export of natural gas, including liquefied natural gas (LNG), from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and

 $[\]underline{1}$ / 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for FE pursuant to Redelegation Order No. 00.002.04D (November 6, 2007).

the import of LNG from other international sources are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Dynegy to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

- A. Dynegy is authorized to import up to 300 Bcf of natural from Canada and to export up to 165 Bcf of natural gas to Canada, and to import up to 300 Bcf of natural gas from Mexico and to export up to 165 Bcf of natural gas to Mexico, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on March 27, 2009, and extending through March 26, 2011.
- B. This natural gas may be imported and exported at any point on the border between the United States and Canada and the United States and Mexico.
- C. Monthly Reports: With respect to the natural gas imports and exports authorized by this Order, Dynegy shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether imports or exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no imports and/or exports have been made, a report of "no activity" for that month must be filed. If imports and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu)

at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic markets(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)). [OMB No.: 1901-0294]

- D. The first monthly report required by this Order is due not later than April 30, 2009, and should cover the reporting period from March 27, 2009 through March 31, 2009.
- F. Dynegy's blanket authorization to import and export natural gas from and to Canada and Mexico in DOE/FE Order No. 2415, issued on October 10, 2007, is hereby vacated, effective upon issuance of this Order.

Issued in Washington, D.C., on March 27, 2009.

R. F. Corbin

Manager, Natural Gas Regulatory Activities Office of Oil and Gas Global Security and Supply Office of Fossil Energy